

## SABMILLER PLC

### COURT AND GENERAL MEETING

13 January 2010

**Mr Kahn (Chairman)** - Let me start off by welcoming you all and wishing you a very good morning, ladies and gentlemen.

Today we will consider a vote on our proposed broad -based black economic empowerment transactions in South Africa. As explained in the Circular to shareholders, today's proceedings are for technical reasons split into two. We begin with the meeting of shareholders convened at the direction of the English High Court to consider a Scheme of Arrangement which is essentially an agreement between the company and all of its shareholders, which is then approved by the Court to give effect to the transaction. Then at a quarter past eleven (11:15), we will have a general meeting of shareholders to approve the transaction and to deal with the necessary ancillary matters required either under the Companies Act or the Listing Rules to enable the directors to implement the transaction. I am happily today joined by my fellow directors Graham Mackay and Malcolm Wyman and by John Davidson, our General Counsel and Company Secretary. I have granted leave of absence to the remaining directors and they have therefore all tendered their apologies.

Before we begin, could I please ask you all to check that you have switched off your mobile phones and blackberries, certainly for the duration of the meeting, so that they do not interfere with the sound system.

Ladies and gentlemen, it is now 11 o'clock and we will start with the court meeting. There is a quorum present and I declare the meeting properly constituted. The full text of the notice of this meeting is set out on pages 41 and 42 of the Circular which was posted to shareholders on the 15<sup>th</sup> of December 2009. Accordingly, the required notice has been given and I would like to propose that the notice should be taken as read. Do we have agreement on that please? Everybody happy? Thank you very much.

Ladies and gentlemen, on the 1<sup>st</sup> of July last year, the board announced that it proposed to enter into a broad-based black economic transaction in South Africa. In summary the transaction involves the issue of shares in our South African subsidiary, The South African Breweries Limited, or SAB as we call it, to benefit three categories of South Africans. First, the group's employees in South Africa; second the black and licensed liquor retailers and liquor license applicants, as well as black owned customers of the soft drinks division of SAB; and then thirdly and finally the broader South African community through our new SAB foundation. These new shares will represent approximately 8.45% of SAB in South Africa. At the end of the transaction period, which is expected to be approximately ten years, participants will exchange their indirect shareholdings in SAB for shares in SABMiller plc.

As explained in the Circular, we expect that the eventual dilution of SABMiller plc's issued capital resulting from this transaction will be less than 1%.

The board believes very strongly that the transaction is in the interests of the SABMiller Group and its shareholders as a whole, but because of the minor dilutive effect that the transaction will have on current shareholders, the board considered it appropriate for the transaction also to be approved by the Court under the Scheme of Arrangements procedure contained in the UK Companies Act, in order to ensure that the transaction is fair to all shareholders. On approval of the Scheme by the Court, the terms of the Scheme will be binding on the company and on all its shareholders.

This meeting of shareholders has therefore been convened at the direction of the Court to seek approval to implement the Scheme.

The Circular, as well as our earlier announcements to the market, set out the rationale for the transaction and give full details of the transaction structure. I do not believe there is anything to add to these explanations, other than to re-confirm to you that the board continues to believe that the transaction is in the best interests of shareholders as a whole and unanimously recommends all our shareholders to vote in favour of the resolutions at both meetings.

At both meetings today, voting will be by way of a poll so that we can reflect more accurately the views of all our members. However, as there are very few resolutions to vote upon, we will not be using today the electronic voting handsets that we normally use at our Annual General Meeting, but will instead be using traditional voting cards.

When you registered this morning, each shareholder, corporate representative or proxy should have been given two voting cards: the blue card is for use at the court meeting; and the white card will be used in the following general meeting. If you have already lodged the proxy before the meeting and you were happy to let those proxies stand unaltered, you will not need the voting cards. If any of you still has a form of proxy for the Court meeting which we have not yet lodged, you can still hand them in at the meeting today. Please raise your hands now and it will be collected from you, handed to me and included in the poll. Are there any? None? Thank you.

If there is, on the other hand, anyone who thinks that they should have a voting card but does not, again, please raise your hands and someone will assist you. Are there any parties? No? Thank you.

In a moment, I will ask you to vote on the Scheme of Arrangement by completing the blue card, but before putting the resolution to the vote, I will respond to any questions. There appear to be no questions handed in at registration. Are there any questions from the floor?

**Chairman** - Mr Botha

**Mr Botha** - Good morning, Mr Chairman

**Chairman** - Good morning

**Mr Botha** - Mr Chairman, my first question - if you turn to page 4 of the Circular point 2 paragraph 2, where it states that we will be issuing 46 million SAB shares representing 8.45% of SAB share capital. On page 5, it gives you the value of the transaction 7.3 billion (Rand) - my question to the Chairman, as a shareholder in SABMiller, I would like to know whether the valuation is fair and reasonable based on the limited information provided?

**Chairman** - Fair and reasonable for SAB, or fair and reasonable to the participants, or generally fair and reasonable?

**Mr Botha** - To both points, Mr Chairman.

**Chairman** - What do you think, Malcolm?

**Mr Wyman (Chief Financial Officer)** - Chairman, let me just try and answer that in a different way. In terms of the Scheme, there is an issue price and there is also a sale price, which are set in terms of a formula. Therefore you need to look at both of those in determining the fair and reasonable nature of the Scheme. We believe because we have set a consistent methodology to determine the multiple, that this is in fact a fair value.

**Chairman** - To both parties?

**Mr Wyman** - To both parties.

**Mr Botha** - For my understanding, when you say fair multiple - you are valuing the transaction based on the multiple of SABMiller and surely when new shareholders are coming in and they are buying a minority stake in SAB South Africa, surely that multiple should be a lot lower than the multiple that we are using for SABMiller.

**Mr Wyman** - I don't think you can make that statement off-hand, because it depends upon the outlook for each of the companies over a ten year period between the acquisition and the sale, and bear in mind when a shareholder comes in and buys shares on the market, you don't know what the multiple will be when they are sold in future. So what you have got to look at here is the consistency of the methodology between the multiple that you are buying it at and the multiple that you are selling it at. So, in the end, the value that's being created is the increase in the earnings multiplied by that multiple. So it is a different transaction from a normal shareholder coming in, who is then at the risk of the fluctuations in the market of what the multiple might be when they sell.

**Chairman** - I think also Malcolm it is fair to say that professional experts have acted as advisers on this and have assisted in determining the fair value of the shares.

**Mr Wyman** - Absolutely, at all times we have had advisers on this and looking at the methodology and we believe that this is in fact a very transparent way for shareholders coming in at the moment to understand how the shares are being priced when they get the shares, and how the shares are being priced when they sell the shares. So at all times, this has been set on the basis of clear and transparent methodology that those participants can understand.

**Chairman** - Any other questions Mr Botha?

**Mr Botha** - I've got a few, Mr Chairman.

**Chairman** - Okay.

**Mr Botha** - No, I have got a few more questions Mr Chairman.

**Chairman** - Yes, with pleasure.

**Mr Botha** - Thank you Mr Chairman. Mr Chairman, you stated further in your letter on page 4, you say through the transaction SAB seeks to support the licensing process in South Africa and believes that there is considerable socio-economic benefit to be derived from a normalised and regulated industry in which liquor retailers, a vast majority of whom are currently unlicensed, can formally incorporate into the economy and liquor industry. So in other words, what you are saying is that SAB has been and is still distributing its product, whether directly or indirectly, to unlicensed retailers. I would just like to know after 15 years of independence after being in the brewery business for a very long period of time, why are we now addressing the issue of unlicensed liquor holders.

**Chairman** - We have addressed the issue for 25 years and SAB does not supply unlicensed retailers or shebeens. We always believe that bringing the unlicensed mom and pop shebeens into both the social employment and tax net and preventing raids from the police quite rightly in terms of our current legislation it is the right way to go. So this is not unique. We have worked for years with politicians and political parties to facilitate unlicensed retailers joining the formal sector.

**Mr Botha** - Thank you Mr Chairman. Mr Chairman, page 5 re consequences of not approving the transaction - it says it may result in an adverse impact on SAB's public reputation, in particular with its retailer distributor base which may in turn lead to a loss of sales as SAB's competitors seek to capitalise on SAB's loss of public reputation. I can't see how you can lose your reputation. Could you just elaborate on that statement?

**Chairman** - Well I think it is very simple. Having broadcast the scheme, having engendered much enthusiasm amongst all the participants, if shareholders were to turn this down it certainly would be a blow, not only to the Scheme, but our reputation. I am happy to tell you that there is no likelihood of shareholders turning it down. In terms of the proxies, there are 1.6 billion shares in SAB, and rounded off, 1.4 billion have voted on these resolutions and well in excess of 95% in favour of the Scheme, so our reputation will remain intact, unless things are changed dramatically today by the shareholders present, but I doubt it.

**Mr Botha** - Mr Chairman, since our independence in 1995, a lot of time has gone by. I just want to know from your perspective - why take such a long period for SAB to actually implement a broad-based black economic empowerment scheme? A lot of companies listed on the JSE, you know, have gone through the process - some companies have even gone and got two or three empowerment partners and SAB also derives a substantial amount of its income from black consumers in South Africa.

**Chairman** - Indeed, from all consumers in South Africa. I think, Mr Botha, it's fair to say that the concept of black economic empowerment has been under examination by a host of commentators, not all of which have been very happy with the way that BEE has been implemented in the past ten years. That you would concede. In addition to that, the structures that many companies use have placed the participants under the water. That you would concede as well. I am delighted to tell you that the structure we eventually implemented, after years of research and consultation, requires no outside finance, no risks to its participants and immediate enhancement by virtue of the fact that they will receive dividends from year 1. So rather late than never but correctly so. I think our scheme is superb. And most impartial observers have said that this is the broad-based black economic empowerment scheme that South Africa needs to apply into the future.

**Mr Botha** - Just one correction. If you had implemented the scheme in 1995 you would never have been, none of your schemes would have been under water based on the substantial performance of your share price.

**Chairman** - Doesn't that say much for our share price.

**Mr Botha** - I'm just commending you, Mr Chairman.

**Chairman** - I know that you're a participant, so good luck to you.

**Mr Botha** - Mr Chairman, point 2.1 Trustees. Eight trustees will be appointed, of which four will be appointed by SAB. Why do we have 50% of the Trustees appointed by SAB when this scheme is supposed to be for the benefit of employees? Surely there should be a larger representation from the employees, Mr Chairman.

**Chairman** - Well we don't think so, that's why we have an equal number, with the Chairman obviously coming from the independents. You must also bear in mind that if we created a structure in the foundation that needed to cater for absolutely every request most of the dividend float of the foundation would be used up in admin expenses. The reason why we've integrated the concept of the Foundation with SAB Ltd in South Africa's own corporate social responsibility programmes is to cut back the costs involved in assessing as to how the monies would be applied and we think it's an ideal situation with the SAB representing their own corporate social responsibility programmes and the independent trustees representing outside of SAB.

*[Note for clarification: the Chairman is referring to the SAB Foundation in his answer.*

*In respect of the Employee Trust:, three trustees will be employees of SAB who will be appointed by the Board of SAB; four trustees will be employees appointed via an election process conducted by the unions and other employees, and a final trustee will be an independent trustee*

*appointed following consultation between SAB and the union. The Chairman will be elected by the trustees and must be a trustee who has either been appointed by the union, or elected from amongst the beneficiaries. The Chairman will have the casting vote.*

*SAB believes that this is an appropriate composition of trustees.]*

**Mr Botha** - Mr Chairman, in the case of the employee trusts, once we sign the documents or when shareholders approve this, documents will have to be signed but certain trustees will not be nominated or will they be nominated straight away after the transaction?

**Chairman** - They have been nominated and identified.

**Mr Botha** - All the trustees from the employers side and from ....

**Chairman** - They have

**Mr Botha** - ... from SAB side.

**Chairman** - Yes, they will be formalised once the process is completed. I might tell you that the independent Trustees are very high profile and really, whose credentials are impeccable in terms of their own status in the communities.

*[Note for clarification:, the Chairman is referring to the SAB Foundation trustees who have been nominated and whose names are provided on page 23 of the circular.*

*In respect of the Employee Trust, interim trustees have been appointed who have been involved in the design of the transaction. The final trustees will be appointed following implementation of the transaction. Three employee trustees will be appointed by SAB, four trustees will be appointed following an election process, and a final independent trustee will be appointed in consultation with the union.]*

**Mr Botha** - Mr Chairman, on page 14 it states that the costs incurred by the SAB Employee Trust in respect of administration will be borne by SAB but will be set off to the extent that dividends are received by the employee trust on Class E Shares which have not been allocated to beneficiaries. Mr Chairman when share schemes are set up for management a lot of time and effort goes into these schemes but I've yet to see where management share schemes costs are carried by management. I'd just like to get your view point on that.

**Chairman** - I'm not sure I understand the question. Do you Graham?

**Mr Mackay (Chief Executive)** - No I don't.

**Chairman** - Do you Malcolm?

**Mr Wyman** - No. I'm not sure what point you're making there, Mr Botha.

**Mr Botha** - Yes, the point is that in terms of your circular on page 14 it says that there will be a set off to the extent that dividends are received by the employee trust. So when you receive dividends for admin costs, so the admin cost will be carried by certain dividends.

**Mr Wyman** – SAB ?

**Mr Botha** - Well, first it says SAB but it will be set off to the extent that dividends are received by the employee trust on Class E Shares.

**Mr Wyman** - Perhaps Chairman, just to make the point there - all of the dividends which are on employee shares which have been allocated will go to the extent set out in this document to the employees. The point you're referring to there is that there will also be some shares which we've allocated to the trust in anticipation of allocating those to future employees or to existing employees with additional allocations. Until that time, those shares are sitting in the trust and those dividends in fact belong to SAB until the shares are allocated. So whilst that's happening, that dividend stream will be used to offset the costs, but it does not affect the employees who have had shares allocated to them and once all the shares are allocated then, as the circular says, all costs will be picked up by SAB.

**Mr Mackay** - You compare this to existing share schemes Mr Botha, but in none of the existing share schemes that we have, are the employees entitled to dividends until they actually take receipt of the shares so this is unlike any of the existing schemes in terms of funding anyway.

**Mr Botha** - It's just the point that they, the employees, even though the shares haven't been issued, are carrying the cost to a certain degree. The dividend does flow in. Where the shares haven't been allocated to the employees as you say, that fund, that flow in will then go to SAB in terms of cost. Is that quantified, the costs?

**Mr Wyman** - No, but they're certainly not expected to be of a significant nature.

**Mr Botha** - So then, what will happen then? The funds will flow in, certain of the costs will be carried by the employees trust and the rest of the funds, will they stay in the trust?

**Mr Wyman** - No, the dividends that come in, to the extent that they are referred to in here, will be paid to the employees on an annual basis.

**Mr Botha** - That's the portion of it?

**Mr Wyman** - That's the portion allocated to employees. The other dividends that come in on any of the allocated shares, which will be of a small amount to the extent that there are dividends on those, those will be used to defray the costs and if they are not sufficient to defray the costs then SAB will carry the balance. To the extent there are not any dividends coming through, because all the shares are allocated, then SAB will carry the balance. So it's really just using a small amount that may have been sitting there waiting for future employees and those dividends are then used to carry costs and, as I said, if they are not sufficient, SAB will then carry the balance.

**Mr Botha** - So, just to get to the practicalities. If we have a dividend flow of let's say 30 million and we've issued 50% of our shares to our employees, you will still receive the 30 million and therefore if you've issued 50% you will be left with 15 million in the employees trust. A portion of that could be then used to pay off the costs, if there are costs. Is that correct?

**Mr Wyman** - Yes, but your proportions are way out of proportion, if I can put it that way.

**Mr Botha** - Yes, it's just that I don't know ...

**Mr Wyman** - Most of the shares will be allocated and it's really just a small amount that is kept behind. So the concept is correct, yes.

**Mr Botha** - Ok, thank you so much. Mr Chairman, if you turn to page 15, point 4.1 states that the Board of Directors of SAB have established a committee called the allocation committee which is responsible for the allocation of participation rights so it appears to me that management control the allocation. Surely the allocation committee should be established by the employee trustees in conjunction with SAB management and they should be responsible for the allocation in terms of laid down criteria. I'd just like your view point on that.

**Chairman** - There is no whimsical thing about the allocation of shares. There's a predetermined formula, it relates purely to arithmetic based upon I think annual salary, am I right? Plus length of service. So a computer is really the person that will be allocating the quantum.

**Mr Botha** - Ok, if we come on to another point, point 4.3. It states there will be no maximum restriction on the value of participation rights that any one participating employee may receive. Is this a good or a bad thing if it's so standard like you said.

**Chairman** - Well, it depends on his length of service. There are people that will have had two years service at a similar job and there are people that will have 30 years service. This will be recognised in the formula.

**Mr Botha** - So, if we look at a ratio that you have decided on, is your ratio more weighed on salary, the quantum of the salary, or is the ratio more weighted on terms of the quantum of the terms of service?

**Chairman** - I think it's a salary updated for length of service.

**Mr Botha** - So what would the ratio be? Would it be a 80:20 ratio, 60:40?

**Mr Mackay** - It's salary plus up to 25% for length of service.

**Mr Botha** - So it's mainly salary based?

**Mr Mackay** - It's mainly salary.

**Mr Botha** - Mr Chairman, the initial Directors re the retail offers, will be appointed by SAB at the first AGM of the SAB Zenzele which will be held on 30 November 2010. Is that correct because once we approve the transaction, more or less exactly the same principles would apply as with the employees, once we have approved the transaction SA Breweries will appoint their Board of Directors - are they going to appoint the Board of Directors from the retailers straight away or are they going to wait until the first AGM?

**Chairman** - I actually don't know. Do you know John?

**Mr Davidson (General Counsel and Group Company Secretary)** - I think, Chairman, the intention is that the first Directors would be nominated by SAB and then when we are 6 months into the process in November, the retailers are participating, and would then be able to elect the Directors from among their own number.

**Mr Botha** - At that first AGM, Mr Chairman, will the SAB's Zenzele trust shareholders, would they be able to receive annual financial statements from SAB?

**Chairman** - Absolutely.

**Mr Botha** - So you'll be making that available to them?

**Chairman** - Absolutely.

**Mr Botha** - Mr Chairman if you turn to page 20, we see that the retailers are not the only shareholders in Zenzele, SAB is the holder of a special share which will entitle it to nominate 2 Directors to Zenzele. This share gives SAB the power, where it will have the majority of votes at general meetings in respect of all resolutions relating to the issue or buy back of SAB shares, as well as cancellation of authorised and unauthorised shares. I'd just like to know, and basically this means that SAB, as the holder of the special share, will be able to control the determination of these matters at shareholder level. I can understand the issue of buying back the shares but

the issue of the controlling of issuing of shares - why do we have that control if you can explain that to me?

**Chairman** - Why wouldn't we?

**Mr Botha** - I don't know, I'm asking you.

**Chairman** - Well why wouldn't we? I mean, simplistically speaking, the shareholders of SABMiller plc are still the absolute controlling shareholders of SAB Limited in South Africa. We've now introduced minorities across three aspects of the business ...

**Mr Botha** - I'm just referring to the retailers.

**Chairman** - No, I understand that. And the retailers are the participants and beneficiaries of this programme, so why shouldn't we have control over it?

**Mr Botha** - I can understand the control over buying back your shares because you want to buy them back after a 10 year period.

**Chairman** - Yes

**Mr Botha** - So you are in control of issuing the shares to the specific individual retailers?

**Chairman** - Absolutely, based on a pre-determined formula as well.

**Mr Botha** - What is that pre-determined formula?

**Chairman** - Have you got that there John?

**Mr Wyman** - Chairman, that formula is set out about who participates, how they can participate, to what extent, how many shares, also how much each retailer should pay and, if you take a lower levels you pay a very small amount and if you take a higher level you pay a higher amount. That is all set out in detail and great depth here and, basically, the SAB Directors will be implementing that formula and therefore having the right to tell the company what it should be doing in terms of that formula.

**Mr Botha** - Mr Chairman, three more questions and then I'll be ...

**Chairman** - It's obvious that you've read the document ...

**Mr Botha** - I have, thank you so much.

**Chairman** - ... , but so far you haven't educated me on anything, but please continue.

**Mr Botha** - Mr Chairman, I'm not here to educate you. I'm just here to educate myself to try and understand the document.

**Chairman** - Excellent, please continue.

**Mr Botha** - I'm sorry that I haven't educated you.

**Chairman** - No, no.

**Mr Botha** - Mr Chairman, page 20 point 3.5 states that the SAB Foundation is also a shareholder in SAB Zenzele which entitles it to one vote at general meetings. It's also entitled to all the dividends on the unissued shares in Zenzele - I'd just like to know if that's correct. It's a bit like the



costs; if the shares aren't issued out then the dividend flow will go to the Zenzele retailers, if, and then from there it'll flow to the Foundation. Is that correct?

**Mr Wyman** - I think what it's saying there, Chairman, is that, again, if there are unallocated shares, then the Foundation will be entitled to those dividends.

**Mr Botha** - If they are entitled to it, it doesn't mean it's going to be paid to them - when you say entitled are you saying that that money will then flow to the SAB Foundation?

**Mr Wyman** - The intention is that the dividends on those shares will then be used by the Foundation.

**Mr Botha** - So why do we set up something for the retailers when the dividends flow? Surely the shareholders at that time should be entitled to those dividends and surely the shareholders at that time should decide where the shares, if the dividends should flow ...

**Mr Wyman** - Which shareholders?

**Chairman** - Each individual retailer will be a shareholder in his own right, pro-rata to the initial allocation formula .

**Mr Botha** - Yes, I agree with you. What we've got is a PTY Ltd company in terms of retailers.

**Chairman** - Yes.

**Mr Botha** - And each one of those retailers will be a shareholder.

**Chairman** - Yes.

**Mr Botha** - Surely those shareholders should decide whether that money should flow to the Foundation or not?

**Chairman** - But it's not theirs. They can only speak for the number of shares that have been allocated to them.

**Mr Botha** - Yes, that's correct but it is theirs because they have been issued shares. What we're saying here then is that the un-issued shares ...

**Chairman** - That's right, doesn't belong to them. If retailer A has got 2% of the action in that PTY Ltd, that's what he's got. If there are 8% unissued, that's available for issue into the future for new people applying for licenses or qualifying in terms of the scheme. He has no right, you don't have a right to SABMiller's shares other than the shares that you have in your own right.

**Mr Botha** - I just think it's quite confusing in terms of how you've set that out, you could have just taken that money and paid it directly to the Foundation instead of doing it through the SAB retailers limited company.

**Chairman** - Net result is the same.

**Mr Wyman** - Chairman, if I could add, the issue there - we've allocated all the shares to the company so that we have some spare shares available for issue to retailers in the future and that's set out very clearly under 3.5. And we are within our rights not to have issued those retailer company shares at this point in time. From an administrative point of view, it's easier to issue all of the SAB shares into the retailer company, but those dividends do not belong to the retailers who are shareholders at that point in time. So the idea is that those spare dividends will actually go to the Foundation. As you say, we could have just paid that money to the Foundation but,

administratively, it's much easier to do it this way and the shares are then available for the retailers in future. So this is just a way of the company administratively putting this in place, and then if there is any surplus, that goes to the Foundation to be used for the deeds of the Foundation.

**Mr Botha** - If I can just understand this now: how many retailers do you expect to take up the shares? Let's say its 18 to 19 million. You must have a fair idea of quantum; are we talking about 80% of the total shares being taken up or only 50%? After all, this thing needs to run for a 10-year period.

**Mr Wyman** - Well there are two issues here: first of all, we've calculated the take-up with advisers and we've modelled this, but the bottom line is that nobody knows exactly how many retailer shares are going to be applied for. So, until that happens we don't know exactly how many shares will be issued. So we have, obviously, catered for that.

In addition, we do have some unissued shares where we've said that there are shares to which certain of these retailers will be entitled - those who are registering as licensed retailers. To the extent that they are not licensed at the moment, but they do become licensed within three years, they're entitled to further shares. So all those shares are sitting there, available for these other allocations. So administratively it's better to place them there. Until they are allocated, none of the retailers who are shareholders in the retailer company are entitled to those shares or those dividends. Therefore, those dividends on the unallocated shares, we deem to be more appropriate to hand over to the Foundation for them to deal with in terms of their charter.

**Mr Botha** - When you issue shares to retailers, and the retailer hasn't got a liquor licence, you won't be giving him shares until he actually gets his liquor licence, is that correct?

**Mr Mackay** - They are allocated, and as long as they have applied and they meet the requirements, as we've said here, are on the way to being licensed, they will be entitled to shares.

**Mr Botha** - If he doesn't get his licence, what happens then? He still keeps his shares, is that correct? If the Liquor Board turns it down, he has still got his shares?

**Chairman** - Malcolm? I think they are set aside for him and not issued. They're set aside.

**Mr Wyman** - They're not issued until he gets them, because until he has his licence he is not entitled to the shares.

*[Note for clarification: the Chairman and Mr Wyman are referring here to the additional allocation of shares (bonus shares) to licence applicants who successfully become licensed within three years]*

**Mr Mackay** - He falls out of the licensing funnel altogether, he is no longer an applicant. He forfeits any bonus shares.

**Mr Botha** - So when he makes an application and he hasn't got a liquor licence, and the dividends then flow, he won't get any dividends until he comes to you and presents a licence?

**Chairman** - Absolutely. They are set aside. They are in suspense.

*[Note for clarification:., the shares which are kept aside and which are in suspense are those bonus shares which a liquor license applicant would be eligible to receive upon becoming licensed within a period of three years.]*

*A licensed applicant who meets the initial qualification criteria, will always retain the upfront allocation of shares and be entitled to dividends on that upfront allocation.]*

**Mr Botha** - The quantum then is that, in terms of the South African liquor industry, quite a few black retailers don't have licences, so how many shares are we going to be issuing in the initial stages? What's the percentage of shares? Have we done our numbers?

**Mr Wyman** - We have done the numbers in terms of the model and in fact, that is a smaller part of the number of shares that will be issued.

**Mr Botha** - My last question, Mr Chairman....

**Chairman** - I think there are 50,000 that would currently qualify, isn't that so?

**Mr Mackay** - No. We've said that we expect in excess of 50,000 licensed retailers to come into it. The number is somewhat more than that, but it's conjectural until we actually start the process.

*[Note for clarification:, the 50,000 quoted number includes ABI retailers who do not require a liquor license.]*

**Mr Botha** - My last question relates to the overview of this transaction. Did you consult with retailers? Did you go along to all the retailers of our membership and then speak to them about the transaction as you did?

**Chairman** - If I had the money that has been spent in the last six months by SAB Limited on communicating the BEE scheme to the staff and to the retailers that might qualify, I wouldn't be standing here, I would be sitting with my shirt off in Margate. I might get double pneumonia today but an enormous programme of communication and education has been embarked upon. Please, let me explain one thing to you: if this scheme doesn't work to the benefit of all its participants, we will have failed as SAB Limited and SABMiller plc. So there is no cynicism or deviousness about this. We want the participants to benefit enormously on the basis that they are our family in the beer business in South Africa. At the same time, if they benefit very well over the next 10 years there's no reason why SABMiller plc shareholders won't benefit enormously in line with them.

So please give us your support. This is done in good faith. It's been well researched. It's an exciting venture. It's the first time in South Africa that many hundreds of thousands of people could benefit from our efforts in the beer business in South Africa, and I would also ask you to join me in hoping that we succeed magnificently.

Are there any other questions?

If there are no other questions then thank you, Mr Botha.

I will now ask all of you please to vote on the scheme of arrangement - and as you see, the resolution says to approve the scheme of arrangement set out on pages 46-51 in the scheme circular.

There you have the resolution. Please will you now vote by completing the blue card. Instruction on how to complete the card is set out on the back. Please complete your full name clearly in block capitals, and if you are voting as a proxy or corporate representative, please write the full name of the person or company that you have been appointed to represent.

If you wish to vote your entire shareholding either for or against the scheme, you do not need to fill in the numbers of shares on the card. Our registrars will do this for you.

If you wish to vote only a proportion of shares for or against you must complete the relevant number of shares on the card. If, on the other hand, you wish to vote a proportion of shares for and a proportion of shares against the scheme, please raise your hand and our registrars will attend to you. Does anybody need help in terms of that instruction? No? Good.

When everything has been completed could you then please sign either for or against the scheme. Our registrars have set up ballot boxes near the exit and I would ask you please to deposit your card in any of the boxes upon leaving the meeting room. It does really not matter what box you use as they are all not specific to either meeting. I'm giving you a bit of time to vote please. Ladies and gentlemen I hope that everybody's had time to complete and sign the blue voting cards.

May we have the proxy votes please? There you see the proxy votes received from the holders of ordinary shares in relation to the scheme of arrangement as at 6pm on Monday That's not too bad. Everybody see that? Number of shareholders voting 95.5%. Number of votes cast for is 1,364,000,000 which is at 99.99%; votes against 71,000, which is 0.01%. The final results will be counted later today and made known this afternoon by stock exchange announcement. The results will also be posted on the SABMiller plc website. I think, John, as our General Counsel, I actually think that's carried, there's hardly anything that's going to disrupt that now.

**Mr Davidson** - By a whisker, Chairman.

**Chairman** - By a whisker. By 99.9%. Thank you very much. That concludes the business of the court meeting. Thank you for your patience.

Ladies and gentleman we are running a bit late on the scheduled General Meeting so I would like with your permission to officially start that meeting right now. Is that OK? Thank you.

I am pleased to see that we still have a quorum for this extraordinary general meeting and I would like to declare this meeting properly constituted. Notice of this meeting was set out on pages 43 - 45 of the scheme circular posted to the shareholders on 15 December 2009. Accordingly the required notice has been given and I propose that the notice is taken as read. Do I have your permission for that? Thank you.

We have of course discussed the rationale for the transaction at the court meeting so unless there are any further questions I propose that we move straight to the voting. Are there any questions? No? Thank you very much.

For this meeting we will now use the white voting card. As with the earlier meeting if you have already lodged a proxy before the meeting and you were happy to let those proxies stand unaltered you will not need a white card. If there is anyone who thinks they need a white voting card, please raise your hand and our registrars will attend to you. Does anybody need a card? None? Thank you.

At the meeting we have two resolutions. Resolution one approves the transaction, authorises the directors to implement the arrangements in the relevant agreements and grants them authority to allot shares for the purposes of the transaction. Resolution two authorises the directors of The South African Breweries Limited to adopt the SAB Zenzele employee trust. As explained in the circular, the trust constitutes an employee share scheme for the purposes of the UKLA Listing Rules and therefore requires specific shareholder approval. Both resolutions are ordinary resolutions. Please will you show the resolutions? Thank you. There you have the resolutions ladies and gentlemen. Resolution one and resolution two. Everybody happy with that? Thank you.

Now I will please ask you to vote by completing your white voting card. Instructions on how to complete the card are also on the back, please complete your full name clearly in block capitals and if you are voting as a proxy or a corporate representative please write the company that you have been appointed to represent. Once again if you wish to vote your entire shareholding either for or against you will not need to fill in the number of votes on the card, our registrars will do this for you. If you wish to vote only a proportion of shares for or against you must complete the relevant number of shares on the card. If you wish to vote a proportion of shares for and a proportion of shares against the scheme please raise your hand and our registrars will attend to you. Does anyone need any help in that regard? No? Thank you. When everything has been

completed please indicate how you wish to vote by placing an X in the appropriate box either for or against. Could you also please sign the card.

As mentioned our registrars have set up ballot boxes by the exits. Could you please deposit your card in any of the boxes upon leaving the meeting room. Would you now vote please?

I'm hoping that everyone has now had time to complete their cards. Anybody require a little bit more time? No?

The screen behind me now displays the total proxy votes received in respect of both resolutions. The final results including those votes cast today will be counted after the conclusion of this meeting and made known by stock exchange announcement. The results will also be posted on the SABMiller website.

I am delighted to report that the preliminary indications, allowing for the votes up until last night are that the resolutions have been passed by a resounding margin - 99.99%. Thank you shareholders. That concludes the business of the general meeting, and all that remains for me to do is to thank you for taking the time to come here today. I would be grateful if you could deposit your signed voting cards in the ballot boxes as you leave the meeting room and thank you. And thank you, Mr Botha, it was an interesting discussion, thank you. That concludes the festivities for today.